

# CITY OF MANHATTAN BEACH

## SALES TAX UPDATE

### 3Q 2022 (JULY - SEPTEMBER)



**MANHATTAN BEACH**

TOTAL: \$ 2,780,433

7.1%  
3Q2022



7.3%  
COUNTY

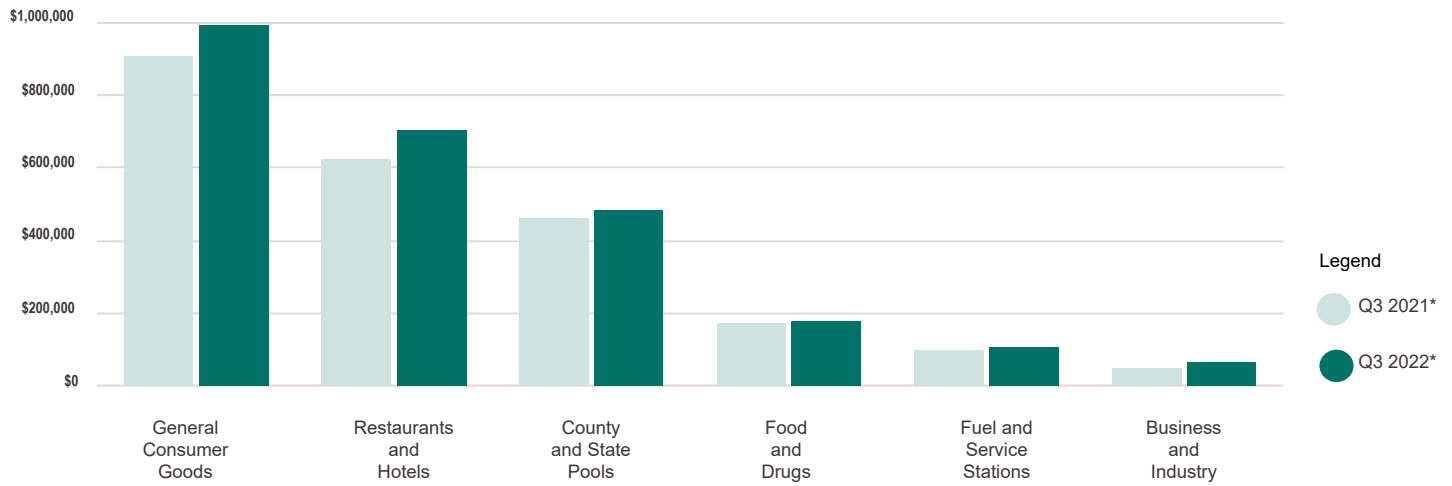


8.0%  
STATE



*\*Allocation aberrations have been adjusted to reflect sales activity*

### SALES TAX BY MAJOR BUSINESS GROUP



### CITY OF MANHATTAN BEACH HIGHLIGHTS

Manhattan Beach's receipts from July through September were 9.2% above the third sales period in 2021. Excluding reporting aberrations, actual sales were up 7.1%.

The City continued its strong growth with most major industry groups showing robust quarterly results. This marks the sixth consecutive period with substantial gains where the City met or outperformed both the state and county. However, the growth has also been slowing over the same time period. This deceleration could be attributed to consumer demands being met post-pandemic, but also to inflationary costs on the end-user causing a pullback in spending.

General consumer goods, the City's largest industry group, continued to perform strongly even with the continued inflationary pressures on

goods. Categories such as electronics & appliances, shoe stores, and jewelry, were the major winners with substantial growth.

The second largest sector, restaurants & hotels, was bolstered by consumers continuing to seek out entertainment and food options post-pandemic. Though this growth may not necessarily be due to increased foot traffic, but to increased menu and event pricing caused by economic factors.

The positive performance for the quarter allowed the City to receive a larger allocation from the countywide use tax pool by 3.9%.

Net of aberrations, taxable sales for all of Los Angeles County grew 7.3% over the comparable time period; the Southern California region was up 8.1%.



### TOP 25 PRODUCERS

- |                                |                    |
|--------------------------------|--------------------|
| Apple                          | Target             |
| Arco AM PM                     | The Arthur J       |
| BevMo                          | Tin Roof Bistro    |
| Chevron                        | Toyota Lease Trust |
| Circle K                       | Trader Joes        |
| CVS Pharmacy                   | Vuori              |
| Joey Manhattan Beach           | Wrights            |
| Kettle                         |                    |
| Macy's                         |                    |
| Manhattan Beach                |                    |
| Toyota Scion                   |                    |
| Marriott Manhattan Beach Hotel |                    |
| Nick's Manhattan Beach         |                    |
| Old Navy                       |                    |
| Ralphs Fresh Fare              |                    |
| REI                            |                    |
| Sephora                        |                    |
| Skechers by Mail               |                    |
| Strand House Standbar          |                    |



**STATEWIDE RESULTS**

Local one cent sales and use tax for sales occurring July through September was 8% higher than the same quarter one year ago after adjusting for accounting anomalies and back payments from previous quarters. These returns mark another strong period of growth for the California spending economy.

Even as the Federal Reserve Board continued ramping up interest rates in an effort to curb the larger concern of inflation, consumers maintained purchases on multiple fronts, especially automobiles. Surprisingly, new car dealers experienced 10% gains over the comparable period in 2021. Limited inventory and demand for higher mileage vehicles including electric and hybrid models helped support growth. In addition, the increased cost of used vehicles has pushed many into the new vehicle market; in contrast, sales of recreation vehicles and auto leasing activity remained soft.

For Californians, the summer of 2022 had the highest gas prices on record; subsequently fuel and service stations receipts jumped 21%. Commuters and summer travel remained steady, yet overall consumption still trails pre-pandemic levels by approximately 13%. Although the Russia-Ukraine conflict initially caused a dramatic shift in global crude oil markets, prices have begun to pull back closer to historical norms.

Restaurants experienced a strong uptick as increased menu prices, consistent desire to dine out and strong tourism contributed to this favorable news. Just as important, theme parks, leisure-entertainment venues and hotels pushed positive momentum back to 2019 levels. With tightening profit margins and sustained labor concerns, future improvement could be slowed compared to the last two years.

Busy contractors and plumbing-electrical

suppliers boosted the building-construction sector. Solid residential and commercial housing prices persisted despite recent interest rate hikes. Tenant improvements further support spending activity as businesses assess future office needs. With statewide new housing requirements and federal infrastructure funding on the horizon, current forecasts stay optimistic.

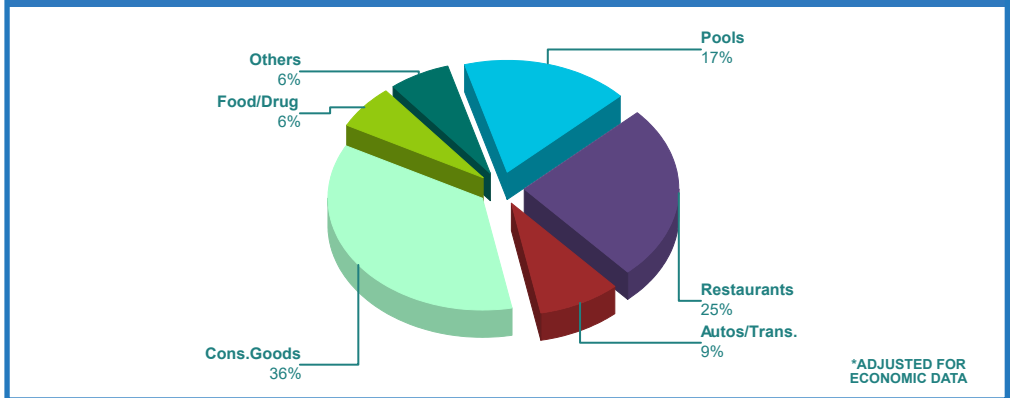
Steady investment in capital equipment coupled with the overall increased price of goods enhanced both business-industry and countywide use tax pool allocations.

For the second straight quarter, fuel sales linked to discount department stores propped up general consumer goods

results. Otherwise, retailers experienced flat to decreased receipts as many apparel categories, home furnishings and sporting goods struggled to keep pace with the prior year. As consumers balanced summer opportunities and higher prices, in-store shopping appears to have taken a temporary back seat.

Sustained price increases and interest rate hikes certainly have consumers contemplating where to spend their dollars. However, historically low statewide unemployment rates and the recovery of the national stock markets from declines earlier this year leave modest optimism heading into 2023.

**REVENUE BY BUSINESS GROUP**  
Manhattan Beach This Quarter\*



**TOP NON-CONFIDENTIAL BUSINESS TYPES**

Manhattan Beach Business Type	Q3 '22*	Change	County Change	HdL State Change
Casual Dining	432.9	17.0% ↑	11.7% ↑	10.1% ↑
Family Apparel	141.1	-30.3% ↓	-3.5% ↓	-1.7% ↓
Shoe Stores	132.4	91.5% ↑	-3.7% ↓	0.2% ↑
Fine Dining	129.3	8.7% ↑	1.8% ↑	5.1% ↑
Service Stations	97.7	15.9% ↑	19.1% ↑	18.5% ↑
Grocery Stores	96.8	3.4% ↑	2.7% ↑	3.1% ↑
Specialty Stores	76.9	13.9% ↑	3.3% ↑	4.0% ↑
Sporting Goods/Bike Stores	74.9	-7.6% ↓	-3.1% ↓	-4.2% ↓
Home Furnishings	59.8	-0.1% ↓	-9.8% ↓	-6.2% ↓
Quick-Service Restaurants	53.4	-1.1% ↓	5.4% ↑	4.0% ↑

\*Allocation aberrations have been adjusted to reflect sales activity \*In thousands of dollars